

Message Text

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ACTION NEA-10

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 6026

INFO AMEMBASSY ISLAMABAD

AMEMBASSY DACCA

AMEMBASSY COLOMBO

AMEMBASSY KABUL

AMEMBASSY TEHRAN

AMEMBASSY KATHMANDU

CINCPAC HAWAII

AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L NEW DELHI 7329

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, IN, PK

SUBJECT: INDO-PAKISTAN RELATIONS

REF: ISLAMABAD 4993

SUMMARY: INDIAN PARTICIPANT IN INDO-PAK TALKS LAST WEEK SAID ATMOSPHERE WAS GOOD AND HE EXPECTS SPEEDY IMPLEMENTATION OF AGREEMENTS, PERHAPS BY AUGUST 1 ON INDIAN SIDE. INDIANS DO NOT SEE AGREEMENT AS SIGNALING ANY BASIC CHANGE IN PAK ATTITUDES TOWARD INDIA, AND RETAIN DEEP SUSPICION OF BHUTTO PERSONALLY WHO WARNED DELEGATION OF POSSIBLE ANTI-INDIAN STATEMENTS TO BE MADE DURING 1976 PAK ELECTION CAMPAIGN. OFFICIAL SAID GOI MOVED BECAUSE OF NON-ALIGNED SUMMIT, ARAB VIEWS, IRANIAN ADVICE, AND GENERAL DECISION TAKEN AT CONFIDENTIAL

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END OF 1975 TO IMPROVE RELATIONS WITH OTHER SOUTH ASIAN

STATES. INDIANS THINK PAKS WERE INFLUENCED BY INTEREST IN BANGLADESH, IRANIAN ADVICE, AND SHIFT IN SINO-INDIAN RELATIONS. INDIANS THUS CONTINUE CYNICAL BUT SEE AGREEMENT AS IN THEIR INTEREST. SO LONG AS BOTH SIDES SEE MUTUALITY OF BENEFIT IN AGREEMENT, IMPLEMENTATION SHOULD PROCEED RELATIVELY SMOOTHLY. END SUMMARY.

1. MEA JOINT SECRETARY (POLICY PLANNING) DAMODARAN, WHO WAS ON INDIAN DELEGATION FOR INDO-PAK TALKS, DESCRIBED ATMOSPHERE AT ISLAMABAD MEETINGS AS FRIENDLY AND CONSTRUCTIVE IN CONVERSATION WITH POL COUNSELOR MAY 17. DAMODARAN SAID PAKS HAD TOLD INDIANS THEY HOPED ALL AREAS OF UNDERSTANDING COULD BE PUT INTO ACTUAL EFFECT, INCLUDING EXCHANGE OF AGREEMENTS FOR AMBASSADORS, BY JULY 1. INDIAN FONSEC MEHTA SAID GOI COULD NOT HOPE TO AIM FOR DATE EARLIER THAN AUGUST 1. IN ANY EVENT, DAMODARAN SAID, THERE IS SUBSTANTIAL STEAM BEHIND EFFORT TO REACH SPECIFIC AGREEMENTS ON DETAILS AND MODALITIES OF MOST ISSUES AS SOON AS POSSIBLE.

2. DAMODARAN SAID GOI ACCEPTED GENUINENESS OF GOP RELUCTANCE TO AGREE TO TRANSIT TRADE BY ROAD THROUGH PAKISTAN BECAUSE OF LIMITATIONS ON FREIGHT CAPACITY OF PAK HIGHWAYS AND POTENTIAL DAMAGE TO STILL DEVELOPING PAKISTAN TRUCKING INDUSTRY. PAKS HAD AGREED, HOWEVER, TO ACCEPT GOODS AT INDIAN BORDER FOR ONWARD SHIPMENT TO OTHER COUNTRIES IN PAK TRUCKS.

3. VISIT AVIATION QUESTIONS WOULD REVOLVE ESSENTIALLY AROUND SPECIFIC CITIES TO BE SERVED IN INDIA (WITH INDIANS RELUCTANT ON AMRITSAR). GOI WOULD PLACE NO LIMIT ON DIRECT PIA SERVICE TO DACCA. AIR INDIA WAS CONSIDERING WHETHER TO REINSTITUTE DELHI-MOSCOW-LONDON FLIGHT WHICH, BECAUSE OF SHORTNESS OF ROUTE, HAD BEEN POPULAR ONE BEFORE TERMINATION OF OVERFLIGHTS. GOI WOULD ALSO SUBSTANTIALLY BENEFIT FROM SHORTER ROUTE TO TEHRAN AND POSSIBILITY OF SERVICE TO KABUL.

4. WHILE INDIANS WELCOMED PAKISTAN OPENING OF TRADE TO PRIVATE SECTOR, DAMODARAN SAID GOI DID NOT HAVE MUCH EXPECTATION THAT TRADE WOULD DEVELOP RAPIDLY.

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5. ON GENERAL STATE OF RELATIONS, DAMODARAN SAID GOI DID NOT SEE BASIC GOP ATTITUDE TOWARD INDIA AS ALTERING SIGNIFICANTLY. HE NOTED BHUTTO'S TOUGH COMMENTS ON KASHMIR IN HIS GILGIT SPEECH WHILE INDIAN DELEGATION WAS IN ISLAMABAD, BUT NOTED THAT PAKS HAD MENTIONED KASHMIR ONLY IN PASSING AT THE END OF BILATERAL TALKS AND HAD NOT SEEMED SURPRISED WHEN JAGAT MEHTA BRUSHED THIS ASIDE AS NOT WITHIN HIS BRIEF. DAMODARAN SAID PAKS HAD SPENT CONSIDERABLE TIME CRITICIZING HOSTILE STATEMENTS AND

PROPAGANDA EMANATING FROM INDIA; INDIANS HAD RETORTED, DAMODARAN SAID, BRIFLY WITH USUAL TU QUOQUE. PAKS HAD SEVERAL TIMES CAUTIONED INDIANS THAT UPCOMING PAK ELECTIONS MIGHT REQUIRE BHUTTO AND OTHER PAK LEADERS TO MAKE CRITICAL REFERENCES TO INDIA, AND REQUESTED GOI TO UNDERSTAND POLITICAL NECESSITIES WHICH WOULD PRODUCE THESE AND NOT MAKE UNNECESSARILY HARSH RESPONSES. DAMODARAN DID NOT SAY WHAT INDIAN RESPONSE TO THIS HAD BEEN. SUBJECT TO PAK ARMS PURCHASES HAD NOT FIGURES SIGNIFICANTLY IN THE TALKS, HE SAID.

5. QUESTION OF SUMMIT MEETING BETWEEN BHUTTO AND MRS. GANDHI HAD NOT ARISEN. DAMODARAN SEVERAL TIMES COMMENTED ON ECCENTRICITY OF BHUTTO AS A LEADER WHOSE MERCURIAL POLICY SHIFTS WERE DIFFICULT TO ANTICIPATE. IT WAS PERFECTLY POSSIBLE FOR BHUTTO TO REVERSE HIMSELF ON DEALING WITH INDIA, BUILD UP TENSIONS FOR A MONTH OR TWO, AND THEN LAUNCH A SUDDEN ATTACK IN ORDER TO OCCUPY 20-30,000 SQ. MILES OF INDIAN TERRITORY WITH WHICH TO BARGIN ON KASHMIR. SO WHILE THE GOI WELCOMED THE RECENT SERIES OF AGREEMENTS, IT HAD TO REMAIN VIGILANT AND WATCHFUL.

6. ASKED WHY INDIA HAD APPARENTLY SHIFTED ITS POSITION IN MARCH-APRIL TO WILLINGNESS TO CONCLUDE QUICK AGREEMENTS WITH PAKISTAN ON ALL OUTSTANDING ISSUES, DAMODARAN SAID FRANKLY THAT GOI HAD ITS EYE ON THE NON-ALIGNED SUMMIT, ON ITS RELATIONS WITH IRAN, AND THE ARAB STATES, AND ITS ELEVATION OF RELATIONS WITH CHINA, AND MORE GENERALLY ON A DECISION WHICH HE SAID HAD BEEN AKEN TOWARD THE END OF 1975 TO IMPROVE INDIA'S RELATIONS WITH ALL ITS NEIGHBORS. HE NOTED THAT THIS HAD ALREADY HAPPENED WITH ALL COUNTRIES BUT BANGLADESH, WHERE INDIA WAS TRYING BUT WHERE THERE WERE SERIOUS DIFFICULTIES.

7. PAKISTAN FOR ITS PART DAMODARAN THOUGHT, HAD WANTED TO MEND
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RELATIONS AND GET CIVIL AVIATION PARTICULARLY MOVING BECAUSE OF ITS RELATIONS WITH BANGLADESH, PRESSURE FROM IRAN, AND BECAUSE OF THE UPGRADING OF SINO-INDIAN RELATIONS (THE LATTER A POINT DAMODARAN SAID THE INDIANS HAD BEEN PARTICULARLY SURPRISED BHUTTO HAD MENTIONED IN HIS RECENT GILGIT SPEECH).

8. COMMENT: NOT SURPRISNGLY THE INDIANS ARE GOING TO CONTINUE TO LOOK AT THE TEETH OF THE PAKISTANI HORSE VERY CAREFULLY. STILL, DAMODARAN SOUNDED CONVINCING IN HIS OBSERVATIONS OF THE INDIAN INTENTION TO PROCEED AS RAPIDLY AS IS TECHNICALLY FEASIBLE WITH THE IMPLEMENTATION OF THE ISLAMABAD AGREEMENT. THE INDIAN DELEGATION OBVIOUSLY WENT TO ISLAMABAD PREPARED TO REACH AGREEMENT AND UNDER INSTRUCTIONS NOT TO BOGGLE OVER LESSER ISSUES SUCH AS TRANSIT RIGHTS. BOTH SIDES CAN MAKE A PLAUSIBLE CASE FOR THEIR GAINS

FROM THE AGREEMENT AND AS LONG AS MUTUALITY OF BENEFIT PERSISTS, THERE IS A FAIR CHANCE THE AGREEMENTS WILL BE GENUINELY IMPLEMENTED AND ADHERED TO. INDIAN PRESS COMMENT HAS BEEN CAUTIOUSLY OPTIMISTIC ON THE ISLAMABAD AGREEMENT, WITH THE TIMES OF INDIA EVEN GIVING THE US EDITORIAL CREDIT FOR CONTRIBUTING TO THE PROCESS THROUGH ITS RESTRAINT ON ARMS SALES TO PAKISTAN*
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